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DIVISION OF OIL, GAS AND MINING

m/43/004

November 20, 2001

Mr. Doug Jensen
Permit Coordinator
Minerals Regulatory Program
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
1594 West North Temple Street
Salt Lake City, UT
84114-5801

RE:

Reclamation Bond Estimate

Utelite Corporation,

Utelite Mine, Summit County, Utah

M/043/004

Dear Mr. Doug:

This letter confirms our understanding of the results of our telephone conversation of this day regarding the above-referenced Reclamation Bond Estimate.

In our conversation, we noted Utelite has not disturbed any more surface area since it last submitted contour maps of the site. Rather, Utelite has just gone deeper into the mining area.

You indicated as Utelite had only gone deeper since the last submittal of drawings, there was no need to prepare an updated contour map. You did however ask that Utelite provide a list of and larger scale map of the buildings and equipment that have been added since the 1994 submittal to you.

You ask that Utelite provide square footage and cubic footage of these building and equipment.

You also reminded us to provide to you a letter from Summit County officials confirming that they will use the Utelite mine area for a landfill, should Utelite discontinue operations.

Please let us know if your notes of our conversation differ from the above.

Very truly yours,

O2 Blue, Inc.

J. Michael Redd

Manager, Technical Section Regulatory Compliance Group

Copies to:

Carsten Mortensen

Blake Miller John Richards